

THIRTEENTH

ANNUAL REPORT

OF THE

DIRECTORS

OF THE

Ogdensburgh & Lake Champlain

RAILROAD COMPANY.

BOSTON:
FRANKLIN PRESS: RAND, AVERY, & COMPANY.
1878.

OFFICERS OF THE CORPORATION.

JOHN C. PRATT	<i>Boston.</i>
JOHN S. FARLOW	"
GEORGE M. BARNARD	"
I. D. FARNSWORTH	"
FRANCIS COX	"
THEODORE A. NEAL	"
GEORGE LEWIS	"
HENRY A. CHURCH	"
SAMUEL M. FELTON	<i>Philadelphia.</i>
WILLIAM J. AVERELL	<i>Ogdensburg, N. Y.</i>
C. T. HULBURD	<i>Brasher Falls, N. Y.</i>
ALBERT ANDRUS	<i>Malone, N. Y.</i>
FRANCIS THOMPSON	<i>Boston.</i>
JOHN C. PRATT	<i>President.</i>
HENRY A. CHURCH	<i>Treasurer.</i>

REPORT.

The gross earnings for the year ending March 31, 1878, as per statement annexed, were	\$598,252 68
The expenses for the same period, as per statement annexed, were	340,076 38
Net earnings for the year, being a fraction over 43 per cent of the gross earnings	<u>\$258,176 30</u>

The surplus on hand, April 1, 1877, as stated in the last annual report, was	\$31,695 36
To which has been added the profit on real estate, not wanted for railroad purposes, sold during the past and previous years	28,311 45
Proceeds of one hundred thousand dollars, six per cent bonds, applied by vote of the Directors to reimburse the Company for expenses in- curred in obtaining possession of the road from the Central Vermont Railroad Company, and to make good the depreciation of property, as will appear by statement below	100,000 00
	<u>\$160,006 81</u>

There has been charged this account as follows :

viz., —

Insurance for 1877, paid previous to April 1, 1877,	\$2,548 96
Taxes for 1877, paid previous to April 1, 1877 .	11,061 05
Loss on supplies and material taken of the Cen- tral Vermont Railroad Company in excess of their value	9,079 08
Law expenses incurred in obtaining possession of the road from the Central Vermont Rail- road Company	5,135 86
Extraordinary expenses growing out of the de- preciated condition of our property, as received from the Central Vermont Railroad Company, as follows: viz., —	
Repairs of buildings	10,348 82
<i>Amounts carried forward</i>	<u>\$38,173 77</u>
	\$160,006 81

<i>Amounts brought forward</i>	\$38,173 77	\$160,006 81
Repairs of docks at Ogdensburg and Rouse's Point	3,825 99	
Repairs of passenger and baggage cars	3,175 92	
Repairs of freight-cars	28,812 05	
		<u>73,987 73</u>
Balance		<u>\$86,019 08</u>

Net earnings for the year ending March 31, 1878, as above,	\$258,176 30
Balance of profit and loss account, as above stated	<u>86,019 08</u>
	\$344,195 38

From which has been paid two dividends on preferred stock	\$160,000 00
Interest on bonds	<u>73,997 37</u>
	233,997 37
Surplus on hand, March 31, 1878	<u>\$110,198 01</u>

The expenses incurred in obtaining possession of our road from the Central Vermont Railroad Company, and in partially making good the depreciation of our property as received from them, were as follows: viz., —

Paid Central Vermont Railroad Company, as appears in last year's accounts	\$50,000 00
Paid law expenses, \$4,158.54 of which was paid previous to April 1, 1877, as appears in last year's accounts	9,294 40
Loss on supplies taken at above their valuation from the Central Vermont Railroad Company,	9,079 08
Cost of repairs to buildings, docks, passenger, baggage, and freight cars, growing out of the depreciated condition of the same	46,162 78
Cost of bridge at Malone, which the Central Vermont Railroad Company were liable for, but refused to pay	1,636 28
	<u>\$116,172 54</u>
Proceeds of bonds applied for this purpose	<u>100,000 00</u>
Leaving a deficit of \$16,172.54, which has been taken from our surplus	\$16,172 54

During the past year the Directors have authorized an issue of \$600,000 of bonds bearing interest at six per cent per annum, secured by a mortgage of our road and property, to pay the equipment bonds of \$300,000 due January, 1878, and \$200,000 due January, 1879; the remaining \$100,000 to reimburse the Company for expenses incurred in obtaining possession of our road from the Central Vermont Railroad Company.

\$446,000 of these bonds have been negotiated at par, and the proceeds applied as provided by the mortgage. The remaining \$154,000 will be sold and applied to payment of outstanding bonds due January, 1879.

The results of the year's business are quite satisfactory. With gross earnings reduced, in consequence of the low rates for through freight, from \$1,000,000, as they were in 1868, to \$600,000, we have been able to show net earnings of 43 per cent, and at the same time maintain our track and property without depreciation. This has been accomplished by the most rigid economy in every department; and here is our only hope in the future. There can be no waste, extravagance, or unnecessary expenditures permitted in any department; and, with proper vigilance exercised in our expenses, we may reasonably hope that the day is not very far distant when the holders of our common stock may receive dividends.

The net earnings for the past year are sufficient to pay eight per cent on our preferred stock; the interest on our bonds (when the equipment bonds shall have been paid in January next, and we shall have no issue but the sinking fund and six per cent bonds) leaving us a surplus of \$30,656.30, as will appear in the following statement:—

Net earnings for the past year	\$258,176 30
Eight per cent on \$2,000,000 preferred stock . \$160,000 00	
One year's interest, eight per cent, on \$304,000	
sinking-fund bonds	31,520 00
One year's interest, six per cent, on \$600,000 first	
mortgage bonds	36,000 00
	<hr/>
	227,520 00
Balance	<hr/>
	\$30,656 30

We expected the last autumn to have opened an all-rail route for freight and passenger business *via* the Rome, Watertown, and Ogdensburg Railroad. Had we succeeded in so doing, it would have added largely to our year's profits. There is little doubt but that this arrangement will soon be consummated.

Our local business continues good, and from it we derive a large and profitable income. It should be our policy in the future, as in the past, to encourage and foster the industries on our road, both agricultural and mechanical, as these are our main reliance; and this is one source from which we derive our large percentage of net earnings.

Our freight earnings for the year ending March 31, 1878, were \$386,714.71. Of this amount we derived from our local business \$228,980.33, or 59 $\frac{4}{10}$ per cent of our entire freight earnings. this exhibits the wonderful resources of our road, and shows why it is that our net earnings are so large.

We have now two lines connecting Ogdensburg with Lake Erie and Lake Michigan points; viz., the Northern Transit Company, with their steamers *via* the Welland Canal, and the Collingwood line, so called, by water to Toronto, thence by rail to Collingwood, and from there by water to Chicago and Milwaukee.

The improvements to the Welland Canal have made rapid progress the past winter; and it is expected that the widening and deepening will be completed early in the spring of 1879. These improvements are of great value and importance to us, as we shall no longer be dependent for our through business upon vessels of from three to four hundred tons capacity. The largest class of steamers on the lakes will then come to our docks at Ogdensburg, and the volume of our business will be largely increased.

The past year there has been put into the track five hundred tons of steel and seven hundred and fifty tons of iron rails. A very favorable contract has been made for two thousand tons steel rails, to be delivered in June. The price of steel rails will not warrant the further use of iron.

Large renewals to the track will be required for the next three or four years. With the exception of that put in the past year, the large portion of our iron has been in the track from five to twelve years; and very rapid depreciation may reasonably be expected. At least two thousand tons of new rails will annually be required. This will furnish our entire track with steel rails in about four years, and an annual saving of forty thousand dollars will then be made in our expenses.

Our track and equipment are in good condition for service. During the past year extensive repairs have been made to our freight-cars: three hundred have been supplied with new roofs, and large numbers with new wheels and axles.

The making good of the depreciation in our rolling-stock has not yet, however, been completed. New roofs are being supplied to our freight-cars, and other repairs being made as judiciously as possible, without adding too largely to our expense sheet.

Our engines and passenger-cars are in good condition, and require no large outlay.

A considerable outlay will be required the ensuing year to maintain our bridges in a safe and serviceable condition.

Our equipment consists of 1,003 freight cars, 17 passenger and baggage cars, 32 locomotives.

On the 1st of April the usual dividend of four per cent was paid on the preferred stock from the surplus of profits.

In behalf of the Directors,

JOHN C. PRATT, *President*.

OGDENSBURG, June 19, 1878.

DETAILS OF EXPENSES.

Maintenance of Real Estate

Repairs of roadbed and railway	\$84,078 16	
Repairs of buildings	3,425 34	
Repairs of bridges	2,459 06	
Repairs of fences and gates	941 42	
Repairs of docks	2,526 71	
Taxes	17,782 92	
Insurance	9,055 14	
Renewal of iron rails	2,714 74	
		\$122,983 49

Repairs of Engines, Cars, and Machinery.

Engines and tenders	15,834 81	
Passenger and baggage cars	3,256 11	
Freight and other cars	11,104 46	
Tools and machinery in shops	2,438 95	
Incidental expenses of repairs	789 60	
Repairs of ferry-scow	130 03	
		33,553 96

Other Expenses of operating the Road.

Office expenses	5,841 04	
Agents and clerks	37,970 77	
Labor handling freight	7,527 21	
Porters, watchmen, and switch-tenders	7,628 38	
Wood and water station attendance	1,544 96	
Conductors, baggagemen, and brakemen	22,275 81	
Engineers and firemen	20,421 44	
Wood	41,752 59	
Coal	1,276 24	
Oil and waste for engines and tenders	2,173 57	
Oil and waste for passenger-cars	500 59	
Oil and waste for freight-cars	1,662 68	
Loss and damage of goods and baggage	232 17	
Damage to property, cattle killed	263 50	
General superintendence	11,683 42	
Elevating	5,708 99	
Contingencies	7,531 24	
Telegraphing	1,522 48	
Rents	794 71	
Interest and commissions	3,302 86	
Ice, \$436.31; Boston office, \$1,228.11; Western agency rents, &c., \$250.86	1,915 28	
		183,538 93
		<u>\$340,076 38</u>

DR. BALANCE-SHEET OGDENSBURGH AND LAKE

Cost of road	\$5,677,000 00
Sinking-fund bonds, issued to Central Vermont Line, for which a sinking-fund was provided	394,000 00
Real estate not wanted for railroad purposes, and for sale .	27,000 00
Shop materials, wood, and other supplies	53,932 63
Cash, notes, accounts uncollected, freight balances due from other roads, and other available assets	171,729 16
Taxes to be charged the ensuing year	10,534 30
	<u>\$6,334,196 09</u>

OGDENSBURG, N.Y., June 1, 1878.

I have examined the above Trial Balance, and find that it is a correct showing of the books of the Ogdensburgh and Lake Champlain Railroad Company to March 31, 1878. I have also examined the vouchers for the year from March 31, 1877, to March 31, 1878, and find them to be correct.

ALBERT ANDRUS, *Auditor.*

BOSTON, June 1, 1878.

I have examined both the Stock Ledgers and certificates issued and returned the past year, and list of coupons paid as per list annexed, and find the same correct.

GEORGE LEWIS, *Auditor.*

CHAMPLAIN RAILROAD, MARCH 31, 1878.

Cr.

Capital stock (common)	\$3,077,000 00
Capital stock (preferred)	2,000,000 00
First mortgage bonds	446,000 00
Equipment bonds of 1868	18,000 00
Equipment bonds of 1869	155,000 00
Sinking-fund bonds	394,000 00
Notes payable	105,000 00
Approved vouchers unpaid	18,099 90
Unpaid dividends and coupons	6,401 55
Balance due other roads	4,496 63
Profit and loss (surplus)	110,198 01
	<u>\$6,334,196 09</u>

HENRY A. CHURCH, *Treasurer.*

OGDENSBURG, March 31, 1878.